

# SENATE RECORD VOTE ANALYSIS

105th Congress  
1st Session

Vote No. 159

June 27, 1997, 3:52 pm  
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## TAXPAYER RELIEF ACT/Capital Gains Indexing

**SUBJECT:** Taxpayer Relief Act of 1997 . . . S. 949. Allard amendment No. 577.

### ACTION: AMENDMENT REJECTED, 41-57

**SYNOPSIS:** As reported, S. 949, the Taxpayer Relief Act of 1997, will provide net tax relief of \$76.8 billion over 5 years and \$238 billion over 10 years. The cost will be more than offset by the economic dividend (\$355 billion over 10 years) that will result from balancing the budget in fiscal year (FY) 2002. This bill will enact the largest tax cut since 1981 and the first tax cut since 1986. It will give cradle-to-grave tax relief to Americans: it will give a \$500-per-child tax credit, education tax relief, savings and investment tax relief, retirement tax relief, and estate tax relief. Over the first 5 years, approximately three-fourths of the benefits will go to Americans earning \$75,000 or less. It will eliminate a third of the increased tax burden imposed by the 1993 Clinton tax hike, which was the largest tax hike in history.

**The Allard amendment** would index capital gains for inflation for property held 5 years or more. Indexing would begin in 2002. The amendment was offered after all debate time had expired. However, by unanimous consent, some debate was permitted.

**Those favoring** the amendment contended:

Indexing capital gains will protect small business owners, family farms, and other average Americans who typically hold assets for long periods of time. Without indexing, they are forced to pay taxes on phantom, inflationary earnings. In fact, it is not uncommon for people to pay capital gains taxes on assets that they have sold, in real terms, for a loss. This situation is unfair, and it also hurts the economy because it strongly encourages people to keep assets to avoid taxes. We urge Senators to correct this situation by voting in favor of the Allard amendment.

**Those opposing** the amendment contended:

Our colleagues are correct. Their amendment deserves to pass. Unfortunately, we must vote against it, because President Clinton

(See other side)

YEAS (41)			NAYS (57)			NOT VOTING (2)	
Republicans (38 or 69%)		Democrats (3 or 7%)	Republicans (17 or 31%)		Democrats (40 or 93%)	Republicans (0)	Democrats (2)
Abraham	Hutchison	Mikulski	Bennett	Akaka	Harkin		Hollings- <sup>2</sup>
Allard	Inhofe	Torricelli	Chafee	Baucus	Johnson		Inouye- <sup>2</sup>
Ashcroft	Kempthorne	Wyden	Cochran	Biden	Kennedy		
Bond	Kyl		Collins	Bingaman	Kerrey		
Brownback	Lott		D'Amato	Boxer	Kerry		
Burns	Mack		Domenici	Breaux	Kohl		
Campbell	McCain		Gorton	Bryan	Landrieu		
Coats	McConnell		Grassley	Bumpers	Lautenberg		
Coverdell	Roberts		Hagel	Byrd	Leahy		
Craig	Santorum		Hatch	Cleland	Levin		
DeWine	Sessions		Jeffords	Conrad	Lieberman		
Enzi	Shelby		Lugar	Daschle	Moseley-Braun		
Faircloth	Smith, Bob		Murkowski	Dodd	Moynihan		
Frist	Smith, Gordon		Nickles	Dorgan	Murray		
Gramm	Specter		Roth	Durbin	Reed		
Grams	Thomas		Snowe	Feingold	Reid		
Gregg	Thompson		Stevens	Feinstein	Robb		
Helms	Thurmond			Ford	Rockefeller		
Hutchinson	Warner			Glenn	Sarbanes		
				Graham	Wellstone		

#### EXPLANATION OF ABSENCE:

- 1—Official Business
- 2—Necessarily Absent
- 3—Illness
- 4—Other

#### SYMBOLS:

- AY—Announced Yea
- AN—Announced Nay
- PY—Paired Yea
- PN—Paired Nay

is so opposed to indexing capital gains for inflation that he has said he will veto this bill if a provision to that effect is included. To avoid a veto, we reluctantly urge our colleagues to oppose the Allard amendment.